Rs. 141.99 crores and Rs. 153.39 crores respectively, Oriental Insurance Co., Delhi and National Insurance Co., Kolkata reported net loss of Rs. 235.48 cores and 94.34 crores respectively.

IRDAs directives to non-life insurance companies

4105. SHRI EKANATH K. THAKUR : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) whether it is a fact that the Insurance Regulatory and Development Authority (IRDA) has directed all the four public sector non-life insurance companies (New India Assurance, Oriental Insurance, United India Insurance and National Insurance) to bring down the level of their management expenses;

(b) if so, the reasons for this direction; and

(c) the reasons for the surge in the management expenses?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL) : (a) and (b) The public sector general insurance companies have been incurring expenses of Management in excess of the limits prescribed under Section 40-C of the Insurance Act, 1938 read with Rule 17-E of the Insurance Rules, 1939. It was in this context that the IRDA has issued instructions to these companies to bring down the expenses of management to the level of statutory permissible limits.

(c) The increase in management expenses of the public sector general insurance companies is mainly on account of wage and other related expenditure. IRDA has reported that over 80% of the companies' expenses are fixed, being spent on salaries, and provisions made for Pension, Gratuity, etc. of the employees on which the companies have very little flexibility.

Fiscal Incentives to NER

4106. DR. ARUN KUMAR SARMA : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) details of fiscal incentives granted to existing and new industries of NER with duration nature and target group entitled for such incentives;

(b) the objectives, entitled industries, date of commencement and expiry of transport subsidy;

(c) whether the circumstances of allowing these incentives at commencement are different from now;

(d) if so, the reasons therefor;

(e) if not, in what way Government propose to discontinue such incentives and make the industries viable; and

(f) the proposal, if any, to support existing industries of NER and to make NE as special economic zone?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL) : (a) The Government have announced a New Industrial Policy and other concessions for the North-Eastern Region (NER) on 24th December, 1997 for a period of 10 years which aims at attracting investors by giving them the following fiscal incentives during its operation :—

(i) Excise and Income Tax exemptions for a period of 10 years.

(ii) Subsidies, such as Transport Subsidy, Capital Investment Subsidy, Central Interest Subsidy and premium for Comprehensive Insurance on capital investment. These schemes are valid upto 31-3-2007.

(iii) Promote infrastructure development through Schemes like Growth Centre of Department of Industrial Policy and Promotion and Integrated Infrastructure Development Centre (IIDC) of Ministry of Small Scale Industry.

These benefits are available to new units set up on or after 24-12-1997 and existing units on substantial expansions on or after 24-12-1997.

(b) The Transparent Subsidy Scheme was introduced in July, 1971 to promote industrialization in hilly, remote and inaccessible areas of the country and has been extended from time to time, and is now valid upto 31-3-2007.

(c) to (e) The impact of the various incentives under the new Industrial Policy (NEIP) on the Industrialization in the North Eastern Region (NER) has been encouraging as seen from the number of industrial units setup (large and medium sized), capital formation and employment generated details given in the enclosed Statement (*See* below).

(f) According to the information received from Ministry of Commerce and Industry, a Committee of Secretaries (CoS) has been constituted under the Chairmanship of Secretary (IPP) for extending Transparent Subsidy and other physical concessions for rejuvenation of the existing industrial units in the North East.

Statement

List of Projects (medium and large) after NEIP

State	No. of Units	Capital Formation (Rs. in crore)	Employment
Arunachal Pradesh	5	10	140
Assam	400	874	30664
Manipur	Nil	Nil	Nil
Meghalaya	32	101	2595
Mizoram	Nil	Nil	Nil
Nagaland	1	Nil	Nil
Tripura	23	12	364
NER TOTAL	461	997	33763

New Pension Scheme for Government Employees

4107. SHRI KARNENDU BHATTACHARJEE : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) whether Government have decided to introduce a new pension scheme for the serving Central Government Employees;

(b) if so, the details thereof; and

(c) the date with effect from which the new scheme is likely to be put in place ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL) : (a) No, Sir.

(b) and (c) Do not arise.

Action under Sub-section 5 of Section 4 of the Companies Act

4108. SHRI S. AGNIRAJ : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) whether the names of those companies have been struck out from the register of the Registrar of Companies u/s 4 (5) of the Companies Act, 1956 who have failed to enhance their paid up capitals as stipulated in the said section; and